

Investing in Youth is Essential for Community Resilience

Girl Scouts of Southeastern Michigan September 2025 White Paper



Executive Summary

This White Paper examines the impact that recent federal funding cuts have had on the nonprofit sector and argues that strategic philanthropic investment in youth development is essential for sustaining communities. Using examples from Southeastern Michigan and national research, we make the case for why funding youth leadership development is a necessary priority.

Federal funding cuts and delays in 2025 have had significant impacts on social services across Michigan, including food security, safety, and afterschool programs. Many nonprofits have already experienced gaps in their funding because of these cuts. Amid these challenges, youth in low-income families face additional barriers to participating in afterschool programming and leadership development opportunities.

Programs that develop confidence, connection, and purpose are not luxuries in our current social environment. These programs help stabilize youth and provide them with skills and characteristics to lead fulfilling lives. Psychological research, including Maslow's Hierarchy of Needs and The Five C's Model of youth development support that basic needs are inextricably connected with developmental needs. Leadership and belonging help protect youth during times of adversity and help to build resilience in young people.

Girl Scouts of Southeastern Michigan (GSSEM) currently provides 14,500 young people with programming that supports leadership, character, and skill development. National studies show that Girl Scouts consistently show higher levels of civic engagement, self-confidence, and care for their communities when compared to their non-Girl Scout peers. In 2025 alone GSSEM honored 219 Girl Scouts who earned their Highest Awards by engaging in community action projects.

The federal government funding cuts leave a gap that philanthropy alone cannot fill. Short-term, reactive grants offer immediate relief to nonprofit organizations, but funders need to develop a more comprehensive long-term solution. Youth development programs give young people the tools to create lasting community change. To create a pathway to stability in social services, we must recognize the development of youth as essential to the future of our society.

The shrinking safety net for youth

In 2021 public charities in the United States received a total of over \$267 billion from government grants, with Michigan organizations receiving over \$4.5 billion.ⁱ The first half of 2025 was marked by significant federal funding freezes, cuts, and delays to many social service programs. Nonprofits that do not receive federal funding are already experiencing the effects of the funding cuts as private foundations, who they previously relied on for financial support, receiving a higher volume of requests.ⁱⁱ

In Southeastern Michigan there have already been significant impacts to nonprofit funding. Two of the largest food relief organizations in Southeastern Michigan, Gleaners Food Bank and Forgotten Harvest, have respectively lost \$850,000 and \$740,000 from federal funding since the beginning of 2025.ⁱⁱⁱ A grant for the AmeriCorps Urban Safety Program, hosted at Wayne State University, had their \$1.3 million grant promoting health and safety in Detroit terminated.^{iv} Food and after-school programming needs are expected to arise from the uncertain future of the Michigan school meals program^v and the loss of funding for after school funding, such as the funding cuts for AmeriCorps which supported such programming in Flint.^{vi}

A false choice: Basic needs vs. youth leadership and empowerment

As nonprofits and the broader community begin to experience the impacts of the funding reduction and cuts, young people will experience increasing barriers to participation in extracurricular programming. Food and housing insecurity are likely to increase without the support of social service programs.^{vii} Many program providers experiencing losses from funding cuts are turning to philanthropic organizations to provide the support necessary to keep them running.^{viii} Organizations competing for funds seek to provide not only food, shelter, and safety, but also education, leadership, and belonging. For young people these needs intertwined.

The interdependence of basic needs and youth development for young people is well-established in psychological research, most notably in Maslow's Hierarchy of Needs. According to this framework a young person must have their physiological and safety needs met, like food shelter and stability, before than can fully meet their needs of belonging, self-esteem, and self-actualization.^{ix} Illustrating this point, more recent research has found that children without their basic needs met faces significant challenges to fully participating in leadership or other extracurricular programming.^x Research has shown that a child's family income level directly correlates to their likelihood to participate in extra-curricular activities. For example, in 2020 the U.S. Census reported that children whose families were 200%+ above the poverty level participated in extracurricular activities at a rate of 32.2%, while those below the poverty level participated at a rate of 13.6%.^{xi}

Maslow's Hierarchy of Needs, however, shows that the physiological and safety needs are not independent or linear from social and personal fulfillment needs. For youth, opportunities to build relationships, develop purpose, and gain confidence also influence their sense of safety and belonging.^{xii} A child who feels valued, connected, and capable may also be better able to navigate the challenges of not having all basic needs consistently met. This framework supports that youth development is not a luxury to put on pause until all basic needs are fully met. It is part of a comprehensive pathway to a person's well-being.

Modern psychological research similarly seeks to determine the aspects of a youth's life that "indicate youth are developing positively and thriving."^{xiii} The Five C's Model is widely accepted in Positive Youth Development and delineates five characteristics that help youth to live productive lives. These characteristics include competence, confidence, connection, character, caring/compassion, and contribution.^{xiv} To ensure youth are living full, healthy lives and become productive citizens, philanthropy must embrace a holistic view of what it means for youth to thrive.

The role (and limits) of philanthropy in times of crisis

Amidst funding uncertainty, philanthropic organizations are doing their best to fill developing gaps.^{xv} Many philanthropic leaders, including Bill Gates, warn that philanthropy alone will not be able to replace the funding that was previously provided by the government.^{xvi} Despite these limitations, organizations such as the Gates Foundation, the Maguerite Casey Foundation, and the John D and Catherine T McArthur Foundation have increased giving in response to the federal cuts,^{xvii} while the Michigan-based McGregor Fund has doubled its payout rate to nonprofit grantees.^{xviii} The president of the McArthur Foundation, John Palfrey, penned a piece for the Stanford Social Innovation Review calling for philanthropists to increase their giving in light of the funding crisis and acknowledging that meaningful difference cannot be made by one foundation alone.^{xix}

The rapid change in the nonprofit funding landscape has thrown the nonprofit funding landscape into a period of uncertainty. During times of overwhelm and confusion some funders will focus on immediate relief. While emergency grants are important and necessary, they often treat the symptoms rather than addressing root cause of issues. Strategic investment in youth development programs can build a strong foundation needed to address longstanding issues in the future. Programs that build confidence, life skills, and civic responsibility in young people strengthen communities. Research consistently shows that youth who participate in high-quality youth development programs have better educational, health, and employment outcomes, and are more likely to contribute positively to their communities.^{xx} These long-term gains can't be achieved through short-term, stop-gap funding. To address the current crisis, funders need to consider the long-term effects of their investments. Well thought out investments in long-term infrastructure like youth leadership provide not only what children need today, but also develop thoughtful, committed leaders that will influence society's future.

The case for investing in positive youth development

Girls and other young people, especially from historically underserved communities, are navigating complicated challenges in their everyday lives. Research shows, however, that when they are given the access they need to supportive programming, they show up ready to lead, to serve their communities, and to solve societal problems.^{xxi}

Youth leadership programming, when it is long-term, hands-on, and connected to adult mentorship, has been shown to increase civic engagement and the ability to influence systems.^{xxii} Investing in youth capacity-building not only

provides benefits to the young person receiving programming, but widespread effects. Leadership development supports safer and more resilient communities, societal equity, and innovation.^{xxiii} These are not only future outcomes, but current benefits.

Strong leaders will be needed to reimagine what society can look like and how to meet individuals' needs going forward

Girl Scouts is a trusted model that helps young people develop a strong sense of self, cultivate positive values, build healthy relationships, and become involved citizens who make the world a better place. The Girl Scout Leadership Experience provides opportunities to develop positive, sustained relationships between young people and trusted adults, life-skills education, and leadership opportunities, aspects that are identified as critically important to positive youth development.^{xxiv}

National studies show that Girl Scouts score higher than their non-Girl Scout peers in their ability to step outside their comfort zone, manage healthy relationships, and be civically engaged in their communities.^{xxv} 82% of Girl Scouts “want to make a positive impact on society through their future work,” while almost 60% are interested in public service or advocacy.^{xxvi} Girl Scout alums are also more likely to participate in civic action than non-alums, such as contacting their elected officials to express their views, serving on a leadership committee or in a leadership position for an organization.^{xxvii}

The increased rate at which Girl Scouts volunteer, give back, and participate in their community creates a culture of community care and leadership. During a time when the future of social programming is so rapidly changing, Girl Scouts develop community-minded leaders who will be ready to step forward with creativity, empathy, and resilience to meet whatever challenges arise.

GSSEM understands that we cannot wait for a more stable world to prepare young people for leadership. We know that it's vital to prepare them now to make a difference in the future. As of August 2025 Girl Scouts of Southeastern Michigan engages approximately 14,500 Girl Scouts in Girl Scout Leadership Experience programming. This leadership programming is not just about participating, but teaches skills through hands-on, impactful projects. In Membership Year 2025, 219 Girl Scouts earned their Bronze, Gold, and Silver Awards, the highest honor in Girl Scouting. These awards require Girl Scouts to identify a community problem, collaborate with others, and implement a sustainable solution that addresses its root. These projects reflect the deep civic engagement, leadership, and systems that philanthropy must continue to invest in. In times of change we need young leaders who are prepared to respond to today's challenges while already actively shaping their communities for the better.

Support the whole child, sustain the community

Facing a surging need of financial support for nonprofit organizations, funders and partners must recognize that youth leadership, and the development as they grown to adulthood, is essential to societal infrastructure. Philanthropy must continue to support programs that center equity and resilience to meet the needs of all. In times of scarcity it is important to recognize that zero-sum thinking is a psychological construct, not a reality. Supporting Girl Scouts is an investment in future caretakers, policymakers, teachers, and leaders in our communities.

Funders can act now by:

- Investing in programs that reach girls from underserved communities
- Providing flexible funding which supports both immediate needs and long-term youth leadership and development training
- Partnering with coalitions committed to youth development and community care

Investing in youth leadership should not be an afterthought in our current community need. These programs are a powerful tool that can build not only strong individuals, but also stronger communities and systems.

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